

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

April 26, 2017

AGENCY MEMBERS PRESENT

Doolittle, Robert S., Chair
Mills, Thom, Vice-Chair
Korth, Paul
Taylor, Todd
Fleming, Martin, M.D.
Grandy, Joe
Gaither, Keith, designee for the TennCare Director
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance
Ridgway, Corey
Harding, Jaclyn, designee for the Comptroller of the Treasury

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Ausbrooks, Mark, Administrative Assistant III
Christoffersen, Jim, General Counsel
Craighead, Alecia, Statistical Analyst III
Earhart, Phillip, HSD Examiner
Farber, Mark, Deputy Director
Finchum, Rhonda, Administrative Officer

COURT REPORTER

Daniel, April

GUESTS PRESENT

Ambrosiuis, Paul, Esq., Trauger and Tuke
Brent, Michael, Esq., Bradley Arant Boult Cummings, LLP
Burchfield, Joe, Senior Vice President, THA
Buttall, Jean, Senior Care Director, Starr Regional Medical Center
Duckett, Greg, Chief Legal Officer, Baptist Memorial HealthCare Corporation
Duncan, Bruce, Assistant Vice President, National HealthCare Corporation
Elrod, Dan, Esq., Butler Snow
Estes, Blake, Executive Director, Planning, Saint Thomas Health Services
Estes, Linda, Director of Quality and Regulations, THCA
Felts, Ginna, Business Development, Vanderbilt University Medical Center
Ferguson, Gordon, CEO, Saint Thomas Rutherford Hospital
Fitzgerald, Bryce, Esq., Kramer Rayson, LLP
Fraser, TC, Administrator, Good Samaritan Fairfield Glade
Gaw, Mark, CFO, Premier Radiology
Gooch, Warren L., Esq., Kramer Rayson, LLP
Gregory, Audrey, CEO, Saint Francis Hospital Memphis
Herr, Mike, COO, Starr Regional Medical Center
Lancaster, Jim, Medical Director, CIGNA
Limyansky, Bob, Partner, The Strategy House
Locke, Chris, CEO, Saint Francis Hospital Bartlett
Looney, Kim, Esq., Waller Lansden
Lyles, Todd, Vice President, Almost Family
Maples, Arthur, Director of Policy and Planning, Baptist Memorial Healthcare Corporation
Merville, LaDonna, Vice President, Hospital Alliance of Tennessee
Mills, Alex, Esq., Waller Lansden
Moss, Max, M.D., Premier Radiology
Reed, Ann, R., RN., BSN, MBA, Director of Licensure, TDH, Division of Health Care Facilities
Reynolds, Teresa, CNO, Starr Regional Medical Center
Royar, Margaret, Esq., Almost Family
Sansing, Trent, CON Director, TDH
Swearingen, Travis, Esq., Butler Snow
Taylor, Jerry W., Esq., Burr & Forman

Trauger, Byron, Esq., Trauger and Tuke
Vetter, Stacia, Assistant Vice President, National HealthCare Corporation
Whitlock, Marthagem, Assistant Commissioner, TDMHSAS PRF

ROLL CALL TO ESTABLISH QUORUM

Chairman Doolittle requested a roll call to establish a quorum.

PRESENT: Jordan, Gaither, Ridgway, Taylor, Korth, Mills, Harding, Fleming, Grandy, Doolittle

Ten members were present.

DIRECTOR'S ANNOUNCEMENTS

Ms. Hill made the following announcements:

- Thomas Alsup has been appointed as the consumer representative by Speaker Harwell.
- Due to the relocation of legislative offices from Legislative Plaza to the Cordell Hull building, Agency meetings will be relocated. Locations will be posted on the website as soon as they have been secured.
- The next Agency meeting has been scheduled for June 28, 2017 at Davy Crockett Tower.
- An Audit Committee meeting will be scheduled at the conclusion of the June meeting. Audit Committee members include Ms. Jordan, Mr. Grandy, Mr. Gaither, Agency Chair Doolittle, and Vice Chair/Audit Chair Mills.
- The June meeting will be the last meeting for Chairman Doolittle and Dr. Fleming. It will also be the last meeting for Agency Administrative Officer Rhonda Finchum who will retire effective June 30.

APPROVAL OF MINUTES

Chairman Doolittle presented the February 22, 2017 minutes for approval.

Ms. Jordan moved for approval of the minutes as presented. Mr. Korth seconded the motion. The motion CARRIED [10-0-0]. **APPROVED (unanimous voice vote).**

AYE: Jordan, Gaither, Ridgway, Taylor, Korth, Mills, Harding, Fleming, Grandy, Doolittle
NAY: None

STATE HEALTH PLAN UPDATE

TDH Division of Health Planning Director Jeff Ockerman reported that comments and information were still being accepted on the criteria and standards for acute care hospital inpatient beds and nonresidential substitution-based opiate treatment centers. Public meetings/hearings were being postponed until after the legislative session was over.

CONSENT CALENDAR APPLICATIONS

Melanie Hill summarized the following Consent Calendar Application:

Good Samaritan Society - Fairfield Glade, Crossville (Cumberland County), TN — CN1702-006

Mr. Mills recused.

The addition of 30 Medicare beds to the existing 30 bed nursing home for a total of 60 beds. All 60 beds will be dually certified for Medicare/Medicaid (TennCare). The 30 beds are subject to the 125 Nursing Home Bed Pool for 2016-2017. The application is filed as a replacement for CN1407-031A which expired before project completion. The estimated project cost is \$6,741,682.73.

Ms. Hill noted at the time the application entered the review cycle, it was unopposed. She also noted it continued to be unopposed and that it met the statutory Certificate of Need criteria as follows:

Need – The need for the additional 30 beds was first established in CN1407-031A, and according to the bed formula, a significant need continues to exist. The project ranges between 90 to 98 percent complete with licensure projected by June 2017. Nursing home beds are a crucial component of a CCRC to help complete the continuum of care needed as seniors progress in age and medical needs become more complex. In fact, with the projected 65 and older population projected to comprise over 34 percent of the county's population by 2019, there is even a greater need for this continuum of care in the community. It will provide needed services to residents within the community as well as help it meet its obligations to residents of this CCRC;

Economic Feasibility – Funding for the original project was a mixture of short-term revolving line of credit, cash reserves, and tax exempt bonds. Of the \$6,765,226 project cost, only approximately \$357,000 in work remains to be completed so a very significant investment has been made in this facility. Positive operating revenue is expected by Year 2. Evangelical Lutheran Good Samaritan Society, as the owner of Good Samaritan - Fairfield Glade, is prepared to cover any losses. With the documentation submitted in the 2014 application, the current ratio was 2.26 to 1. With this application, it is 2.27 to 1;

Healthcare that Meets Appropriate Quality Standards - Good Samaritan - Fairfield Glade is licensed in good standing with the Tennessee Department of Health and certified to participate in Medicare/Medicaid. According to the CMS.gov website, it has a five-star quality rating as it did during the review of the 2014 application. The applicant reports it has an ongoing quality improvement program to monitor and improve patient outcomes and regularly reports these as part of a public reporting requirement for all nursing homes;

Contribution to the Orderly Development of Healthcare – The project continues to contribute to the orderly development of healthcare just as it did when it was originally approved. The applicant is Medicare/Medicaid certified (TennCare), and it has a transfer agreement in place with Cumberland Medical Center as well as other agreements which are documented on page 33 of the application. The affiliation with Tennessee Technology University in Cookeville and Tennessee Technology Center in Crossville to train nursing, allied health, health information technology and EMT students may offer an excellent opportunity to not only have students work with nursing home residents but also work with independent and assisting living residents to better understand the aging senior population and possibly pursue further studies in the much underserved area in geriatrics and gerontology.

Mr. Grandy moved for approval of the project based on Ms. Hill's justification. Ms. Harding seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jordan, Gaither, Ridgway, Taylor, Korth, Harding, Fleming, Grandy, Doolittle
NAY: None

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON Applications:

Tennessee Nursing Services of Morristown, Inc. d/b/a SunCrest Home Health, Jefferson City (Jefferson County), TN – CN1612-042

Mr. Mills recused.

The relocation of the applicant's principal office from Claiborne County to Jefferson County, TN. The service area consists of Campbell, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Sullivan, and Union Counties. The estimated project cost is \$306,432.

Kim Looney, Esq., addressed the Agency on behalf of the applicant.

Summation waived.

Ms. Jordan moved for approval of the project based on the following:

Need – There is a need by moving the parent office to the Jefferson City location. The parent office will be more centrally located in the agency service area and will be located closer to most of the patients it serves;

Economic Feasibility – The application is financially feasible. The cost of the project is minimal and can be funded by the parent company and it will also result in reducing administrative costs by approximately \$87,000 per year;

Healthcare that Meets Appropriate Quality Standards – The applicant is currently licensed by the Department of Health and is certified by Medicare and TennCare and is accredited by the Joint Commission;

Contribution to the Orderly Development of Healthcare – The project contributes to the orderly development of healthcare because it is not adding services or expanding its service area, and because the project involves only the relocation of the parent office, no other existing home health providers should be negatively impacted.

Ms. Harding seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jordan, Gaither, Ridgway, Taylor, Korth, Harding, Fleming, Grandy, Doolittle

NAY: None

TriStar Skyline Medical Center, Nashville (Davidson County), TN – CN1612-041

Mr. Ridgway recused.

The transfer of 31 medical-surgical beds from TriStar Skyline's satellite campus located at 500 Hospital Drive, Madison (Davidson County), TN, into newly constructed space at its main campus at 3441 Dickerson Pike, Nashville (Davidson County). The estimated project cost is \$30,038,000.

Jerry Taylor, Esq., and Steve Otto, CEO, Skyline Medical Center addressed the Agency on behalf of the applicant.

Summation waived.

Mr. Mills moved for approval of the project with the following **CONDITION: Applicant must delicense 31 beds from the Madison Campus once the transfer to the newly constructed space at 3441 Dickerson Pike, Nashville, TN is complete.**

Need – The need has been established. It has exhibited the growth and demand in the main campus trauma center and the comprehensive stroke center and the neuroscience's program has increased. There is no net bed change, so this is solely a relocation;

Economic Feasibility – There is a grant from the parent company, and this project will also be profitable in the first two years of operation;

Healthcare that Meets Appropriate Quality Standards - The applicant is licensed by the Tennessee Department of Health. It is also accredited by the Joint Commission Accreditation for Healthcare Organizations as of August 2016. They're also certified by Medicare and Medicaid;

Contribution to the Orderly Development of Healthcare - There is no net bed change, and this is just a relocation of 31 beds from the satellite to the main hospital. This is consistent with their master plan to dedicate the Madison campus to behavioral program for geriatric, adults, and adolescents. And in the current year, the patient projection of med/surg beds is expected to be 78.3 percent admits, and when adding the admits and observation beds, they have projected an occupancy of 87.5 percent.

Mr. Grandy seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jordan, Gaither, Taylor, Korth, Mills, Harding, Fleming, Grandy, Doolittle
NAY: None

Watauga Orthopaedics, PLC, Kingsport (Sullivan County), TN – CN1701-001

Mr. Ridgway recused.

The initiation of MRI services and the addition of a 0.3 Tesla extremity magnetic resonance imaging (MRI) scanner limited to the patients of Watauga Orthopaedics, PLC located at 875 Larry Neil Way, Kingsport (Sullivan County), TN 37660. The estimated project cost is \$914,439.

Jerry Taylor, Esq., Burr & Forman, Kim Wishon, CEO, Dr. Eric Parks, Orthopedic Surgeon, and Dr. Richard Duncan, Orthopedic Surgeon addressed the Agency on behalf of the applicant.

Summation waived.

Mr. Grandy moved for approval of the project based on the following:

Need – This CON will provide additional patient convenience providing same-day service for patients that have to travel multiple hours to arrive for their treatments. It will also provide these scans at a lower cost;

Economic Feasibility – They will provide the service, and this equipment, through their own cash reserves and a commercial loan, and it will generate a positive cash flow initially;

Healthcare that Meets Appropriate Quality Standards – This organization is licensed by the Tennessee Department of Health accredited by the American College of Radiology, and Medicaid/Medicare certified;

Contribution to the Orderly Development of Healthcare – The project does contribute to the orderly development of healthcare. This MRI will only be used by the Watauga group and, therefore, will have no significant impact on other MRI services in the community.

Mr. Taylor seconded the motion. The motion CARRIED [8-1-0]. **APPROVED** .

AYE: Jordan, Gaither, Taylor, Mills, Harding, Fleming, Grandy, Doolittle
NAY: Korth

Starr Regional Medical Center-Etowah, Etowah (McMinn County), TN – CN1701-002

The expansion of the hospital's existing 14-bed geri-psychiatric unit to 18 beds. Upon opening the four additional proposed beds, the applicant will close four general hospital beds at Etowah with the result that the 72 licensed beds at Etowah and the 190 total consolidated licensed beds for both the Etowah and Athens hospitals will not change. The estimated project cost is \$621,351.

Kim Looney, Esq., Mike Herr, COO, Starr Regional Medical Center, Jean Buttrell, Senior Care Director, and Teresa Reynolds, CNO, addressed the Agency on behalf of the applicant.

Summation waived.

Mr. Ridgway moved for approval of the project based on the following:

Need – The admissions to the current unit have increased approximately 40 percent over the past three years reaching a 75 percent average annual occupancy in calendar year 2016. The demand for geriatric beds is expected to increase with the projected growth rate in the service area, and based on the bed-need formula, it does indicate a need for an additional 3.8 beds required by 2021;

Economic Feasibility – The project is economically feasible given the financial projections provided yielding \$787,000 of net operating income in year one and continuing with favorable net operating income in year two. LifePoint Health's CFO also attests to the ability to fund the project costs from cash reserves of the owner;

Healthcare that Meets Appropriate Quality Standards – The applicant is licensed by the Tennessee Department of Health, certified by Medicare and TennCare, and accredited by the Joint Commission;

Contribution to the Orderly Development of Healthcare – Starr Regional Medical Center, Etowah, coordinates closely with its main campus in Athens for acute services and area nursing homes. The applicant also states there are no similar services available in the service area, and there's also no opposition to this application.

Mr. Taylor seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Gaither, Ridgway, Taylor, Korth, Mills, Harding, Fleming, Grandy, Doolittle
NAY: None

Middle Tennessee Imaging, LLC d/b/a Premier Radiology, Murfreesboro (Rutherford County), TN – CN1701-003

Mr. Ridgway recused.

The establishment of an Outpatient Diagnostic Center, initiation of MRI services, and acquisition of a fixed MRI unit in leased space at 2723 New Salem Highway, Murfreesboro (Rutherford County), TN. The estimated project cost is \$2,626,335.46.

Warren Gooch, Esq., addressed the Agency on behalf of the applicant. Speaking in support were Gordon B. Ferguson, President & CEO, Saint Thomas Rutherford Hospital and Max Moss, M.D.

Summation waived.

Mr. Mills moved for approval of the project based on the following:

Need – The outpatient diagnostic center will deliver care closer to where the patients live and where they work as commercial growth has increased the population of this service area. The project will provide high-tech imaging services to the residents of southern Rutherford, Bedford, and Coffee Counties where it is needed;

Economic Feasibility – The CFO has attested that there are sufficient funds to pay for this project. The applicant also projects it will be profitable in the first and second year of operation;

Healthcare that Meets Appropriate Quality Standards – The applicant will be licensed by the Department of Health. They will be accredited by the American College of Radiology, and certified by both Medicare and Medicaid;

Contribution to the Orderly Development of Healthcare – The outpatient diagnostic centers are reimbursed at a lower rate than hospitals, therefore, reducing the cost of co-pays and deductibles to the patients. Existing providers are not projected to be negatively impacted by the services, and projected volumes will meet or exceed the standards especially given the growth in this three-county service area.

Ms. Jordan seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jordan, Gaither, Korth, Mills, Harding, Fleming, Grandy, Doolittle
NAY: None

AGENDA TAKEN OUT OF ORDER

GENERAL COUNSEL'S REPORT

Mr. Christoffersen summarized the following CON modification requests:

Metro Knoxville HMA, LLC, d/b/a, North Knoxville Medical Center, Powell (Knox County), TN - CN1206-027AM

North Knoxville Medical Center requests a modification from a mobile to a fixed service.

Unanimously approved on September 26, 2012 for the initiation of mobile Positron Emission Tomography - Computerized Tomography (PET/CT) Services 1 day per week.

CT did not require CON approval, but some machines combine PET/CT capabilities.

Modification to 3 days per week unanimously approved on February 25, 2015.

The equipment acquisition itself would not require a CON.

Warren Gooch, Esq., addressed the agency on behalf of the applicant.

Mr. Grandy moved for approval of the request in that it's going to provide better service at a lower cost at a fixed facility.

Mr. Taylor seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Gaither, Ridgway, Taylor, Korth, Mills, Harding, Fleming, Grandy, Doolittle
NAY: None

Simultaneous Review:

Saint Francis Hospital Bartlett, Arlington (Shelby County), TN – CN1701-004 and Baptist Memorial Hospital, Memphis (Shelby County), TN – CN1701-005

Mr. Ridgway and Dr. Fleming recused.

Presentations:

Saint Francis Hospital Bartlett, Arlington (Shelby County), TN – CN1701-004

The establishment of a full service, 24 hour per day/7 day per week satellite emergency department to be located at an unnamed street address at an undeveloped parcel of land located at the southeast corner of I-40 and Airline Road, Arlington (Shelby County), Tennessee. The proposed facility will be operated as a satellite emergency department of Saint Francis Hospital-Bartlett, located at 2986 Kate Bond Road, in Bartlett (Shelby County), TN and will have 12 treatment rooms and will provide emergency diagnostic and treatment services. The estimated project cost is \$12,857,628.

Kim Looney, Esq., Chris Locke, CEO, Saint Francis Hospital – Bartlett, Dale Criner, M.D., System Medical Director, Saint Francis Healthcare, and David Schwartz, D.O., CMO, Saint Francis Healthcare addressed the Agency on behalf of the applicant.

Speaking in support were: Robert A. Wilson, CEO/Managing Partner Port Alliance Companies, and Bryan Westbrook, Director Emergency Services, Brookwood Medical Center Freestanding ED.

Speaking in opposition were: Dan Elrod, Esq., on behalf of Baptist Memorial Hospital, Byron Trauger, Esq., on behalf of Methodist Healthcare, and Jim Lancaster, M.D., on behalf of CIGNA.

Baptist Memorial Hospital, Memphis (Shelby County), TN – CN1701-005

The establishment of a full service, 24 hour per day/7 day per week satellite emergency department to be located at an unnamed street address north of the intersection of Interstate 40 and Airline Road on the eastside, in Arlington (Shelby County), Tennessee. The proposed facility will be operated as a satellite emergency department of Baptist Memorial Hospital located at 6019 Walnut Grove Road in Memphis (Shelby County) and will have 10 treatment rooms and will provide emergency diagnostic and treatment services. The applicant is owned by Baptist Memorial Health Care Corporation. The project will be developed, operationalized and marketed through a joint operating agreement between Baptist Memorial Hospital and Regional One Health. The estimated project cost is \$9,993,779.

Dan Elrod, Esq., Jason Little, CEO, Baptist Memorial Hospital, Melanie Mays, Nursing Manager, Baptist Memorial Hospital, Reginald Coopwood, President/CEO Regional One Health, addressed the Agency on behalf of the applicant.

Speaking in support were: Mike Wissman, Mayor of Arlington, TN; and William Rawls, Mayor of Brownsville, TN.

Speaking in opposition were: Kim Looney, Esq., on behalf of Saint Francis Hospital-Bartlett, Byron Trauger, Esq., on behalf of Methodist Healthcare and William Kennely, President/CEO Methodist Le Bonheur, on behalf of Methodist Healthcare, Jim Lancaster, M.D., on behalf of CIGNA, William Birtch, M.D., EMS/Medical Director, Fayette County, TN.

Rebuttals

Mr. Elrod rebutted for Baptist Memorial Hospital.

Ms. Looney rebutted for Saint Francis Hospital-Bartlett.

Summations

Ms. Looney summated for Saint Francis Hospital-Bartlett.

Mr. Elrod summated for Baptist Memorial Hospital.

Mr. Trauger summated for Methodist Healthcare.

Motions

Saint Francis Hospital Bartlett, Arlington (Shelby County), TN – CN1701-004

Mr. Grandy moved to deny the project based on: It does not comply with orderly development of healthcare.

Mr. Gaither seconded the motion. The motion CARRIED [7-1-0]. **DENIED**

AYE: Jordan, Gaither, Taylor, Korth, Harding, Grandy, Doolittle
NAY: Mills

Baptist Memorial Hospital, Memphis (Shelby County), TN – CN1701-005

Mr. Grandy moved to deny the project based on: It does not, at that location, promote the orderly development of healthcare.

Ms. Jordan seconded the motion. The motion CARRIED [5-3-0]. **DENIED**

AYE: Jordan, Gaither, Taylor, Harding, Grandy,
NAY: Mills, Korth, Doolittle

Lebanon Surgery Center, LLC, Lebanon (Wilson County), TN – CN1702-007

Mr. Ridgway recused.

The establishment of a multi-specialty ambulatory surgical treatment center (ASTC) to be located in an existing building on the southwest corner of the campus of Tennova Healthcare-Lebanon located at 1411 Baddour Parkway, Lebanon, (Wilson County), TN 37087. The ASTC will include four operating rooms and one procedure room as part of the proposed multi-specialty ASTC. The estimated project cost is \$2,494,000.

Michael Brent, Esq., Julian Hinesley, CEO, Tennova Healthcare Lebanon, Kenneth Shafer, COO Tennova Healthcare Lebanon, and James W. Morris, CMO, Tennova Healthcare Lebanon, addressed the Agency on behalf of the applicant.

Speaking in opposition were: Christi Griffin, Esq., and Roy Terry, M.D., Tennessee Orthopedics.

Michael Brent, Esq., and Julian Hinesley, CEO, Tennova Healthcare Lebanon, provided summation on behalf of the applicant.

Mr. Mills moved to deny the project based on the following: It does not meet the statutory requirement of need as currently it has shown that only 48 percent of capacity is being utilized. There is a 72 percent outmigration for hospital services in this county shown in 2015.

Mr. Korth seconded the motion. The motion CARRIED [6-3-0]. **DENIED**

AYE: Gaither, Taylor, Korth, Mills, Harding, Doolittle
NAY: Jordan, Fleming, Grandy

RULEMAKING AND EMERGENCY RULEMAKING

The Agency will consider whether to adopt as permanent rule the Emergency Rule, adopted at its February 22, 2017 meeting, regarding quality measures. The Agency is directed to adopt quality standards by TCA § 68-11-1633, which provides:

Development of measures for assessing quality of entities receiving certificate of need -- Failure to meet quality measures -- Penalties.

(a) In consultation with the state health planning division and the board for licensing healthcare facilities or the department of mental health and substance abuse services, whichever is appropriate, and subject to § 68-11-1609(h) the agency shall develop measures by rule for assessing quality for entities that, on or after July 1, 2016, receive a certificate of need under this part. In developing quality measures, the agency may seek the advice of stakeholders with respect to certificates of need for specific institutions or services.

(b) If the agency determines that an entity has failed to meet the quality measures developed under this section, the agency shall refer that finding to the board for licensing healthcare facilities or the department of mental health and substance abuse services, whichever is appropriate, for appropriate action on the license of the entity under part 2 of this chapter.

(c) If the agency determines that an entity has failed to meet any quality measure imposed as a condition for a certificate of need by the agency, the agency may impose penalties pursuant to § 68-11-1617 or revoke a certificate of need pursuant to § 68-11-1619.

The Agency will also consider whether to adopt as permanent rule reporting requirements to enable administration of T.C.A. § 68-11-1609(h), which provides as follows:

The agency shall maintain continuing oversight over any certificate of need that it approves on or after July 1, 2016. Oversight by the agency shall include requiring annual reports concerning continued need and appropriate quality measures as determined by the agency. The agency may impose conditions on a certificate of need that require the demonstration of compliance with continued need and quality measures; provided, that conditions for quality measures may not be more stringent than those measures identified by the applicant in the applicant's submitted application.

RULEMAKING RECOMMENDATION

Mr. Christoffersen summarized the following: In one motion, it would be to approve the initiation of the rulemaking process as proposed with the two changes: moving 3A under Orderly Development in the same chapter of the Agency's rules, and the other would be moving the sentence regarding nursing homes and accreditation as previously discussed.

RULEMAKING MOTION

Ms. Jordan moved for approval of the rules based on the recommendation of General Counsel.

Ms. Harding seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Gaither, Ridgway, Taylor, Korth, Mills, Harding, Fleming, Grandy, Doolittle
NAY: None

ADJOURNMENT

There being no further business, the meeting adjourned.

A handwritten signature in black ink, appearing to read "Melanie M. Hill", is written over a horizontal line.

Melanie M. Hill, Executive Director

* Minutes provide only a brief staff summary of the meeting and are not intended to be an all-inclusive report. The HSDA maintains a detailed record of each meeting (recording and transcript) that is available upon request by contacting the HSDA office at 615-741-2364.

